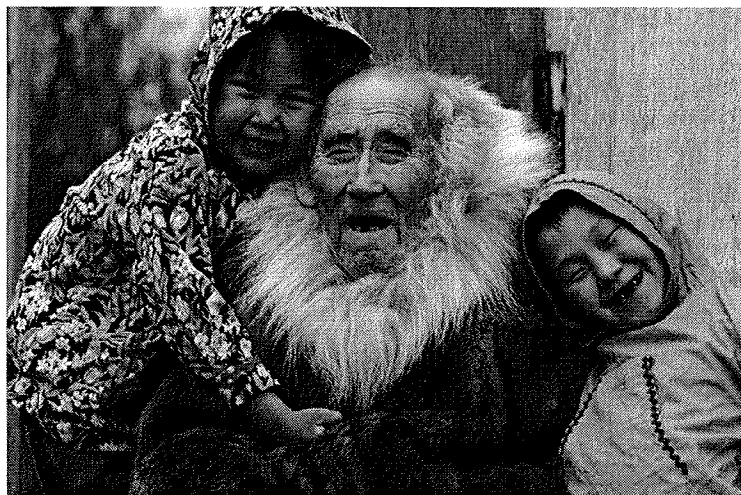


Native 8(a) Program Brings Hope to Indian and Alaska Native Communities!

By the Native American Contractors Association



American Indian and Alaska Native community members are realizing the positive impacts of the Small Business Administration's (SBA) Native 8(a) Program. In fact, recent testimony at the Senate Committee on Indian Affairs' (SCIA) oversight hearing on economic development highlighted the SBA Native 8(a) Program as one of the most successful laws Congress has enacted to foster self-sufficiency and economic development in Native communities. The Native American Contractors Association's (NACA) testimony at the SCIA hearing reported that these 8(a) provisions are rare examples of federal policy successfully fulfilling Congressional intent to advance federal procurement goals and simultaneously help build self-sustaining economic drivers and self-reliance in our Native communities.

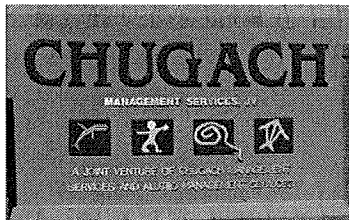
The lives of American Indians and Alaska Natives are challenging and often riddled with sub-standard social and economic conditions with limited opportunities to change the situation. There are many stories of struggle, such as, the village of Chenega Bay that survived an earthquake and tsunami and rebuilt twenty years later only to be devastated by the Exxon Valdez oil spill. A village member, Donia Wilson-Abbott said that her generation "had even forgotten the word in their Native language for hope."

The 8(a) rules applicable to Tribes and ANCs differ, purposely, from the rules that govern 8(a) companies owned by individuals. The core mission of ANCs includes generating community-wide benefits and meeting social and cultural needs of their economically and socially disadvantaged communities. ANC-owned 8(a) companies provide many benefits to shareholders, including higher-skilled and higher paying jobs, scholarships, and training. In contrast, the benefits of an 8(a) company owned by an individual are retained by that individual owner. The following provide insight into the diverse sharing of corporate opportunity and profits.

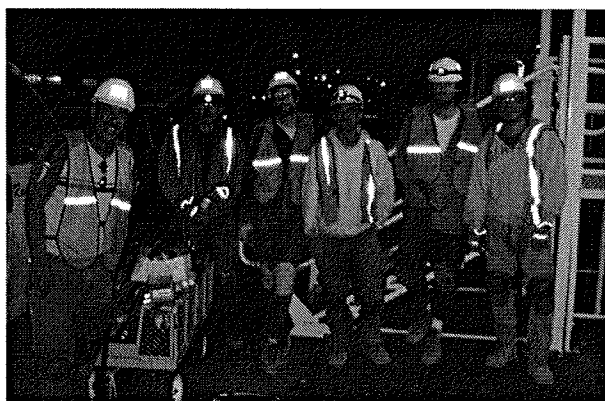
* Chenega Bay celebrates comeback after devastation, *Channel 2 Broadcasting Inc.*, <http://www.ktuu.com>, by Rhonda McBride.

Exceptional Performance Leads to Benefits for Alaska Natives

Alutiiq, LLC, Kodiak, Alaska

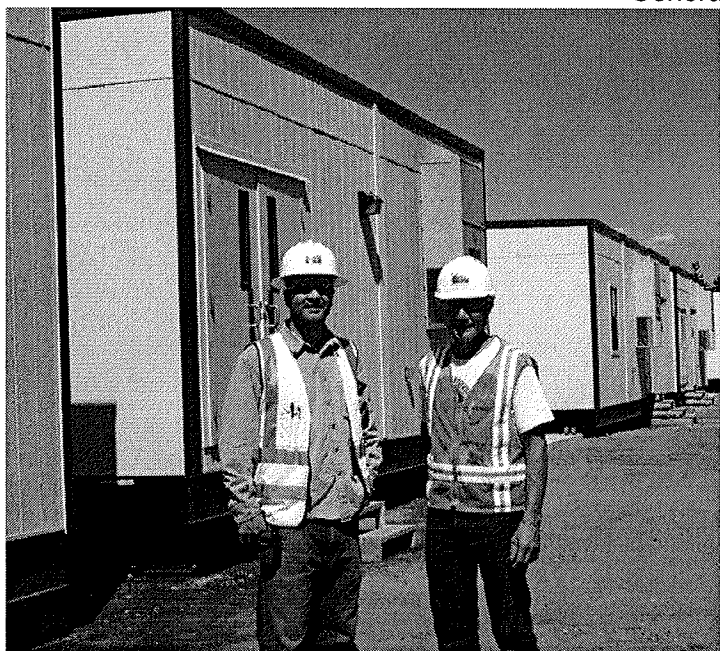


The excellent performance and corporate citizenship of Alaska Native Corporations and tribes have resulted in outstanding award fees, future contract opportunities and strong relationships within the local communities where we work. All of this leads to benefits for over 120,000 disadvantaged Alaska Natives. Below is the success story of one Alaska Native Corporation which participates in 8(a) government contracting, Alutiiq, LLC, a wholly-owned subsidiary of Afognak Native Corporation.



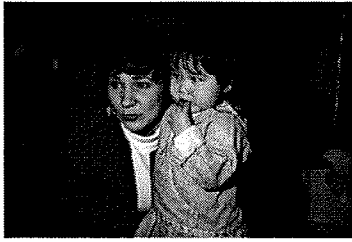
The Chugach Management Services, JV (a joint venture between Chugach Alaska Corporation and Alutiiq, LLC) has consistently received above 97 percent award fees since it began the Kirtland Air Force Base operations and maintenance contract in July 2000. Their last award fee of 98 percent, awarded in March 2005, was based on the joint venture's "...unwavering support to team Kirtland customers [which] was continuous and consistent...you and your employees will take us to a higher level of excellence." *Henry L. Andrews, Jr., Colonel, USAF Commander.*

Alutiiq's exceptional award fees are a direct result of our hard working, high-caliber employees. On another contract two Alutiiq employees, Senior Officer Delaney Jefferson and Sergeant Steven Hill, were both presented with coins by Fort Carson's Commanding General Robert Wilson for their outstanding performance, attention to detail, and handling of an individual who attempted to gain access to Fort Carson under false pretenses. We are proud of our employees and their outstanding performance.



Alutiiq often hires retired law enforcement and military personnel on our contracts. In response to our efforts, Alutiiq earned the *Employer of the Year Award* from the Veterans of Foreign Wars (Department of North Carolina) in the "over 250 employees" category. Alutiiq was then nominated and awarded the *National Employer of Veterans Award*, which we will receive in August 2006.

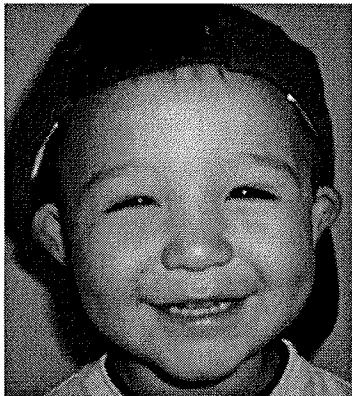
Alaska Native people have survived off our traditional land and sea for 10,000 years. Over the last 200 years of western occupation the Alutiiq people have faced epidemics, war,



and famine, all devastating our culture and leaving little for economic and social prosperity. To combat this, each year Afognak Native Corporation provides employment opportunities, donations and volunteer support to various organizations within the Alutiiq community to increase our people's quality of life and foster Alutiiq culture and education.



All Alaska Native Corporations are focused on providing employment opportunities for their shareholders. Many, if not all, have instituted some level of shareholder hire and training programs. Alutiiq (the wholly-owned government contracting subsidiary of Afognak Native Corporation), like most of the ANCs, has staff dedicated to assisting shareholders find employment within our family of companies, and with other organizations. The staff also helps shareholders obtain the training and educational opportunities necessary to improve their skills and job prospects.



As a wholly-owned subsidiary, the profits of Alutiiq flow up to Afognak Native Corporation. Afognak utilizes these profits to provide shareholder benefits in a number of forms, including individual scholarships. We are only now beginning to see the results of these vital programs as our youth begin graduating with vocational, undergraduate and graduate degrees in everything from mechanics to education and business management. Many are the first in their families to earn a vocational or college education. Today these young leaders help our Native community by teaching, serving in the social work field or leading our businesses.

To increase the quality of life for our almost 700 shareholders, Afognak provides an annual dividend. In 2005, Afognak paid a record \$10.8 million in dividends as a direct result of our participation and success in the 8(a) program. In addition, the Afognak Board designed its Shareholder Permanent Fund so that dollars from its business development operations could provide long-term economic benefits to the Shareholders. These dividends mean a tremendous amount to our shareholders - young families just starting out, Elders, and families who live a subsistence lifestyle in our traditional village.



Each year Afognak provides donations and in-kind contributions for programs that support cultural and social growth of our Native community. For example, Afognak initiated a series of Alutiiq cultural camps in the mid-1990's to save our traditional way of life. These camps, now run by the Native Village of Afognak, teach our Alutiiq children traditional dance, language, history, and subsistence from Native leaders and Elders.

Each year Afognak supports the Alutiiq Museum & Archeological Repository. Through financial and in-kind support from Afognak and other Native organizations the Museum travels to each of the rural communities in our region to teach our Native children traditional ways. In the spring of 2005, our children learned how to make Alutiiq bentwood boxes, a skill that has not been taught in more than 100 years.

Afognak has partnered with the Alutiiq Museum and other Native organizations to rescue our archeological sites in order to save 10,000



years of Alutiiq history from vandalism and erosion. To date we have gathered tens of thousands of artifacts, collected from our joint excavations on Afognak Island. These fragile irreplaceable treasures, gathered for our people by our people, are truly a library. They contain incredible information on our ancestor's lives. They hold the stories of our people that are available from no other source.

Each year Afognak supports these, and other, cultural programs through donations and in-kind contribution. We are proud of our history, of our ability to survive and the future opportunities we are able to provide to our children.

Contact: Sarah Lukin
Corporate Communications Manager
Alutiiq, LLC
Phone: (907) 222-9586
Email: slukin@alutiiq.com

Community Enrichment: From Survival to Success

Chenega Corporation, Chenega Bay, Alaska



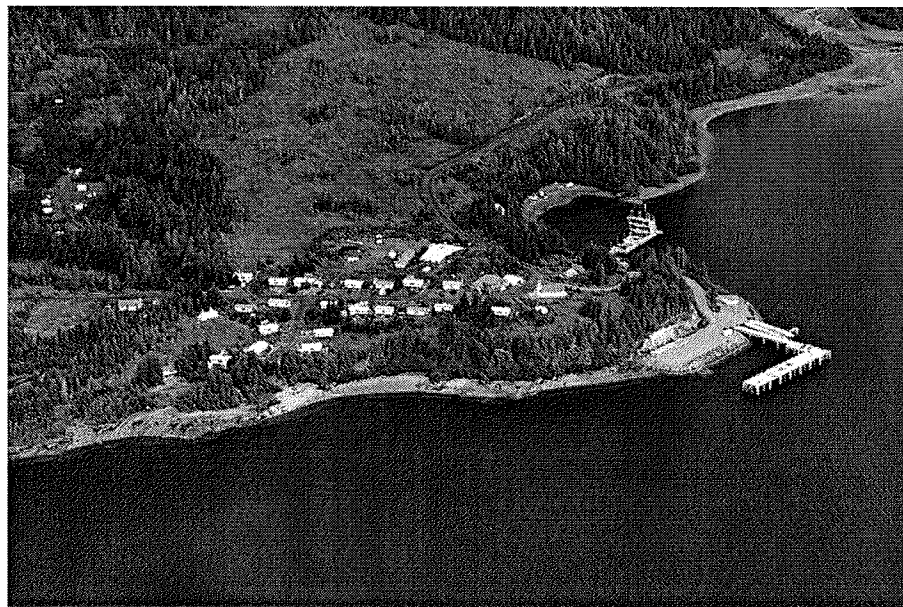
Pete Kompkoff, Chenega Bay
Village Administrator

"The Chenega Corporation almost didn't happen. After the 1964 earthquake, the village fell apart and survivors had to fight to be included in the Alaska Native Claims Settlement Act. Today, the village is celebrating a unique success story." [†] According to a recent news report, the Chenega Corporation had a big hand in reviving the community, building a dock, funding three new buildings to include a health clinic, and establishing culturally enriching programs for the children like traditional dancing.

The corporation is also helping to bring a general store to the village, providing new hope and many successes. "I think the village itself would not have been reestablished without the help of the corporation," said Pete Kompkoff, Chenega Bay Village Administrator. [‡] Also reported was that in 2005, "Chenega's village corporation reported more than \$18 million in profits, a lot of it was earned through oversight of government contracts. Chenega employs more than 3,000 people and about 2,500 subcontract employees in 38 states and nine foreign countries." [§]



Boat harbor, Chenega Bay Village.



Chenega Bay Village.

[†] Chenega Bay celebrates comeback after devastation, *Channel 2 Broadcasting Inc.*, <http://www.ktuu.com>, by Rhonda McBride.

[‡] Chenega Bay celebrates comeback after devastation, *Channel 2 Broadcasting Inc.*, <http://www.ktuu.com>, by Rhonda McBride.

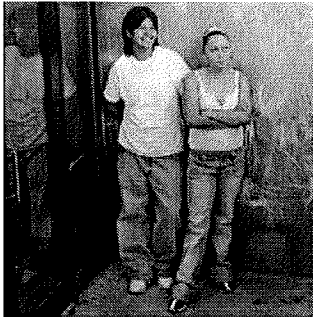
[§] Chenega Bay celebrates comeback after devastation, *Channel 2 Broadcasting Inc.*, <http://www.ktuu.com>, by Rhonda McBride.

S & K Technologies: A Vision of the Future

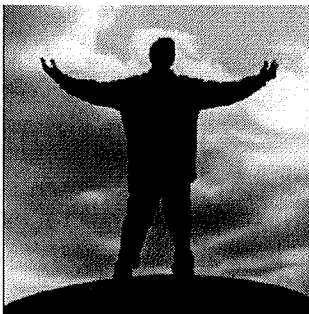
A Tribally Owned Enterprise of the Confederated Salish & Kootenai Tribes of Montana



"Luke Smiling"
by Francis Lozeau



"Hold that Pose"
by Brian Dupuis



"Self Portrait"
by Junior Grenier



"Untitled"
By Deanna Kenmille

(St. Ignatius, Mont.) -- Inherent to S&K Technologies' (SKT) mission statement, the company continues to support important community projects that are critical to the tribal cultural value system of the Confederated Salish and Kootenai Tribes.

One project that SKT is particularly proud of sponsoring is Our Community Record, a program whose participants include students of the Two Eagle River School, located in Pablo, Montana.

Since 2001, middle and high school students at Two Eagle River School have been enthusiastic participants in this unique project that challenges them to express their personal vision and experience by documenting their community, culture, and history through photographic studies. Most recently in both 2004 and in 2005, SKT contributed a significant grant to Two Eagle River School to allow for the continued progress of Our Community Record.

This contribution helps the program with such costs as photographic equipment, educational field trips, photographic printing supplies, and most importantly, classroom instruction from critically acclaimed professional resources.

Through this project, SKT is helping to make a difference in the lives of young people on the Flathead Indian Reservation. Our Community Record empowers youth to learn about visual communication and technical production, in addition to fostering their work as effective artists and story tellers.

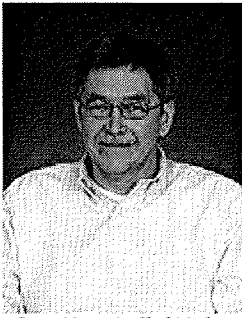
Two Eagle River School is a Bureau of Indian Affairs-contracted, educational institution of the Confederated Salish and Kootenai Tribes. The school serves Native American students in the 7th through 12th grades. Approximately 130 students attend Two Eagle River each year, with about 30 students graduating annually.

SKT is a tribally owned enterprise of the Confederated Salish and Kootenai Tribes of Montana, and recently graduated from the Small Business Administration's 8(a) Business Development Program in 2006.

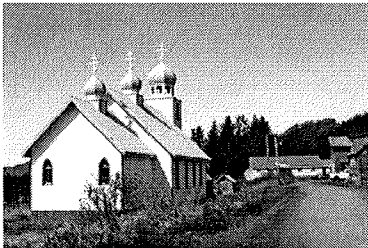
Photographs by students at Two Eagle River School.

Maintaining Our Traditional Way of Life

Gary Kompkoff, Native Village of Tatitlek, Alaska



Gary Kompkoff, Chief
Native Village of Tatitlek



Native Village of Tatitlek, Alaska



Village hunters teaching child how to harvest subsistence foods for community.



Chugach shareholders harvesting subsistence salmon.

"My name is Gary Kompkoff, I'm a Chugach Alaska Corporation board member for the last six years, and also Chief of the Native Village of Tatitlek for the last 28 years. The most noticeable change to me [regarding opportunities since the success of ANC businesses] is the renewed sense of pride that the people in our community have. And being a Chugach Native, to me, it's reflected not just by individuals but by the communities and by their region as a whole.

The most noticeable impact of the dividends has been on the assistance that they provide in continuing the subsistence lifestyle that the people in my village live. The dividends have helped hunters and fishers buy the supplies – the gas, the ammunition – everything they need to continue the subsistence harvest. With the increased price of fuel and the increase price of supplies, these dividends have really helped the people of Tatitlek continue their subsistence lifestyle.

The Elders' dividends are – Tatitlek is a remote community accessible only by boat or by plane – so the dividends that they receive are really helpful in getting them to proper medical facilities for medical care and helps them with the purchase of the medicine that they need. And also, like with everyone else, not just Elders, helps with the purchase of stable goods such as groceries in the village.

[If the 8(a) program was eliminated] there would be some differences – the noticeable difference would be the ability of our hunters and fishers, especially, to buy the things that they need for subsistence harvest. Another noticeable difference would be on single mothers; these dividends are really helpful in providing them with some kind of income.

The cultural programs that Chugach and Chugach Heritage Foundation have started are one of the most important things that Chugach does at the present time, I think. The preservation of the Alutiiq culture is one of the top priorities of the Native community and to take away the funds that they contribute towards that goal would be really harmful."

S & K Electronics: Over 20 Years of Providing Quality Products

A Tribally Owned Enterprise of the Confederated Salish & Kootenai Tribes of Montana



(Pablo, Mont.) -- For centuries, detailed handiwork and craftsmanship have been a way of life for Native American people. Today S&K Electronics (SKE) is guided by this same pride in workmanship and it shows in every product that they make.

As a leading manufacturer of cable assemblies, wiring harnesses, electronic and electro-mechanical products for both industry and government, SKE continues a 20-plus year tradition of building products that improve the lives of people around the world.

Started in 1984, the company began, with about five employees, as a manufacturing enterprise of the Confederated Salish and Kootenai Tribes of Montana.

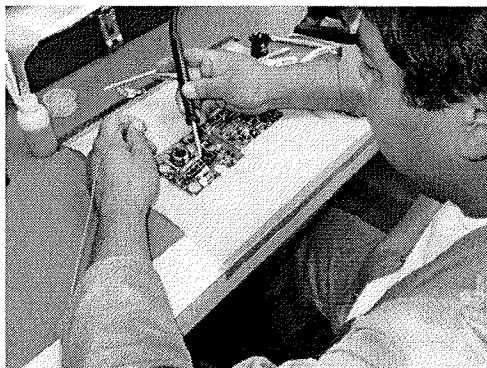
By 1990, the company was certified under the Small Business Administration's (SBA) 8(a) Business Development Program. Under this program, SKE grew and developed critical infrastructure until 1999 when the company successfully graduated out of 8(a) status.

Today the company boasts employing 108 personnel, with \$10 million in annual sales in Fiscal Year (FY) 2005, and every year since graduation, the company has continued to progress. This year is no different with SKE projecting \$12 million in sales for FY 2006.

The portfolio of SKE clients has grown to include about 50 percent in government related contracting, with the other 50 percent based in private industry.

SKE is housed in Pablo, Montana, on the Flathead Indian Reservation, in a spacious 40,000 square foot facility with an impressive array of new generation manufacturing and testing equipment that is maintained and operated by our highly skilled employees, of which the company is proud to have over 62 percent tribally affiliated personnel.

The quality of products manufactured by the tribal enterprise has firmly established SKE as the value priced producer of electronic goods and services in a highly competitive industry. In addition, SKE has also developed engineering services that now provide critical design support and development in addition to the production services that their clients need.



"Primarily, we provide a business of significant opportunity in a continually growing field of electronics manufacturing," Larry Hall, SKE General Manager and President said. "We provide steady, good-paying work, and we emphasize being good neighbors through our community outreach program which includes corporate sponsorships, and volunteering."

SKE has also become an important resource for electronics and engineering research based within Montana's university system, in addition to providing important internship and work study for many students who attend Montana State University's School of Engineering.

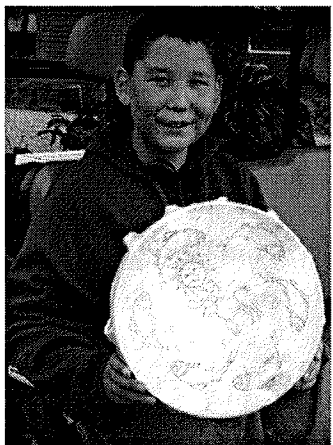
Contact: Larry Hall, SKE GM/President
406-883-6241 ph
Larry_Hall@skecorp.com

Chugach Development Corporation: A Graduated 8(a) Company with Sustainable Operations

An ANC 8(a) enterprise of the Chugach Alaska Corporation



The first of now five graduated 8(a) companies of the Chugach Alaska Corporation, Chugach Development Corporation (CDC) may soon become the model for how other graduated 8(a) companies can succeed in the competitive federal marketplace. CDC's core competency is in facility maintenance. As an 8(a) company, CDC was instrumental in helping Chugach Alaska Corporation pay off its Chapter 11 bankruptcy debts and starting a new business course.



In 1991, the Regional Corporation was in dire straights and filed for bankruptcy. Its resource-based companies had struggled for years with limited success and no long-term hope of sustainable operations. Then, with the Exxon Valdez oil spill disaster, the Regional Corporation was nearly forced to liquidate all assets including their shareholder's land base. The gradual turn to success started when the Board of Directors made the decision to hire executives who had government contracting experience and entered the government contracting arena with CDC.

By 1994, CDC had two small contracts, 60 employees, and a long-term vision that included expanding outside of Alaska. That vision paid off in 1996 when CDC received their first major contract with the U.S. Navy. By 1997, CDC had developed significant capabilities in delivering the government quality, timely, and cost effective facility maintenance services. When CDC voluntarily graduated the 8(a) program in 1998 due to exceeding the program's size standards, Chugach Alaska Corporation was well on their way to paying off millions to bankruptcy creditors, diversified into four other subsidiaries, and shared a vision for long term success with their 1,950 originally enrolled shareholders.



CDC's even greater story is in their success outside of the 8(a) program. To fully appreciate any 8(a) company's ability to openly compete with giants, such as, Lockheed Martin, Raytheon, and Boeing, observers must consider size, product/service, and capital. The giants of the competitive government contracting market have had 60 plus years to create their competitive advantages which include the substantial capital needed to go after major contracts. Responding to a major contract takes expertise and months of manpower costing up to 3 percent of the contract award - a \$100 million dollar contract may cost upwards of \$3 million dollars in responding.



How does a government contractor like CDC, fresh out of the 8(a) program, succeed in a market dominated by powerful and capital rich companies? In CDC's case, the management team made the strategic decision to not go it alone. They networked with their competitors convincing government contracting giants that CDC can deliver quality, timely, and cost effective work in facility maintenance and logistics. Teaming with Bechtel and Lockheed Martin, CDC won their first major full and open competitive bid contract, and they have never looked back. As a prime or sub-contractor, CDC has \$80 million in outstanding contracts and 1,400 total employees. CDC has the reputation of being "the little company that could!"